POWER SHIFT:
THE US, CHINA AND THE RACE TO NET ZERO

CLIMATE COUNCIL

Key findings

1 In the US, states and businesses are charging ahead with action on climate change, despite opposition from the Trump administration.

- The Trump administration has committed to “drill baby drill” while cutting support for renewable power, electric vehicles and other climate solutions. However, pro-climate action states cover more than half of the US economy and population, and are committed to pushing on despite these headwinds.
- California, the US’s largest economy, is already powered by two-thirds clean energy, and has doubled down as a national leader on climate action in the wake of the Los Angeles fires this year.
- The Republican-controlled state of Texas now generates more wind power than any other US state – accounting for nearly a third of the country’s total wind generation in 2024.
- Despite shifting federal politics, US corporations remain committed to net zero: 84% are holding firm on their climate commitments.

2 China – the world’s second-largest economy – is pressing ahead and capitalising on the economic opportunities of renewables.

- Since 2020, China's solar capacity has almost quadrupled and its wind capacity has doubled. China achieved its 2030 renewable energy target in 2024 - six years early.
- China's clean energy momentum is occurring at the same time as more coal power stations are being built. However, this hasn't translated into more coal-fired power being used. In the first half of 2025, coal generation fell by 3.4% year-on-year.
- China is also the global leader in clean technology manufacturing; supplying 80% of the world’s solar panels and 70% of electric vehicles. China’s clean energy exports are helping to cut global climate pollution and play a significant role in its economy.
- China’s climate pollution dropped in the first half of 2025, up to five years ahead of when it was expected to peak – signalling a major milestone in the worldwide shift to clean energy.

3 As the world moves toward net zero, setting a stronger 2035 climate target for Australia can unlock a $190 billion boost to our export industries and better protect Australians from worsening climate harm.

- A stronger 2035 climate target can help protect Australian lives and livelihoods from escalating extreme weather events and spiralling climate costs. It is also in our national interest to advocate for stronger climate action across the globe through trade agreements and other means.
- The growth of renewables will lock in coal’s inevitable decline in China, which is Australia's second-largest coal export market.
- While China is leading the clean energy charge, it is not alone. Other major economies and trading partners – such as the UK, India, the EU, Japan and South Korea – are rapidly shifting to renewables and reshaping trading prospects for Australia.
- Setting a stronger 2035 climate target can signal Australia is serious about shifting from a fossil fuel heavyweight to a clean export powerhouse, and unlock a $190 billion export opportunity.

INTRODUCTION

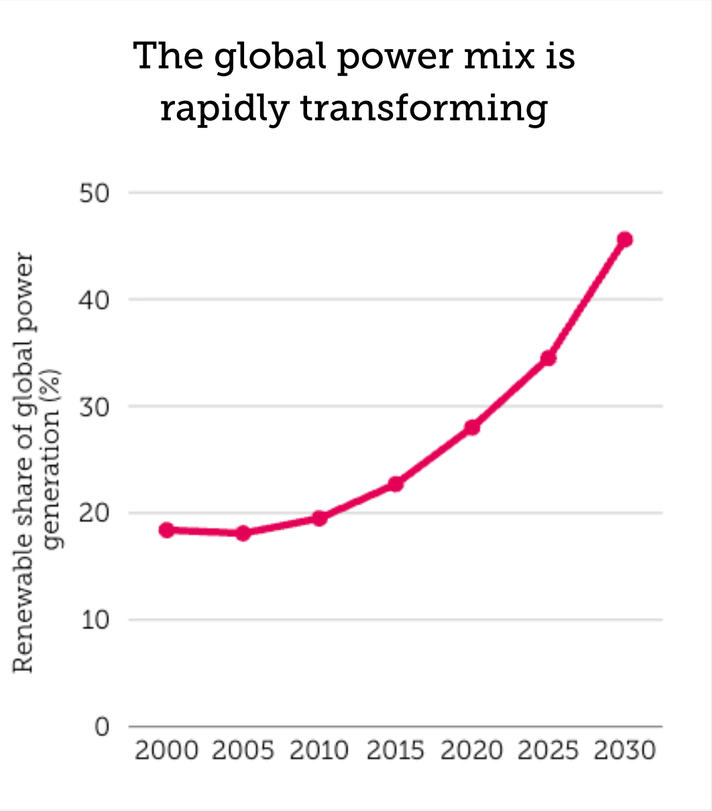
The world is rapidly shifting to renewables as the Trump administration retreats and China advances

The global energy transformation is gathering speed. Low-emissions energy sources (including renewables and nuclear) now generate more than 40% of the world's electricity. In 2025, investment in renewables is set to hit AU$3.4 trillion – twice as much as global investment in coal, oil and gas. Renewable power generation is expected to overtake coal-fired generation in 2025 or 2026, with coal's share of generation dropping below 33% for the first time in a century. By 2030, global renewable generation is expected to nearly double – meeting the combined power demand of China and the United States. Meanwhile, dozens of countries have committed to phase out fossil fuels and end subsidies that prop up coal, oil and gas.

This progress is significant, but we still have a long way to go. To avoid the worst impacts of climate change, we must maintain and accelerate this momentum. The Trump administration's retreat from climate leadership and its rollback of support for science and clean energy has created new headwinds. Yet many US states and companies remain committed to net zero and are driving action from the ground up.

Further, the US's federal retreat has opened up space for other nations to lead. China has reinforced its role as an emerging clean energy powerhouse, reaffirming its commitment to climate action and the global shift to net zero. Other major economies and trading partners – such as the UK, India, the EU, Japan and South Korea – are rapidly shifting to renewables and reshaping trading prospects for Australia.

As the Australian Government considers its 2035 climate target, Australia has the opportunity to open up new, future-focused export opportunities.



Source: International Energy Agency 2025

1

US STATES AND BUSINESSES ARE STILL POWERING AHEAD

Despite the Trump administration's commitment to fossil fuels, US states and cities are pushing ahead with renewable projects.

Since taking office in 2024, the second Trump administration has committed to "drill baby drill" while cutting support for renewable power, electric vehicles and other climate solutions. While this creates challenges, it hasn't stopped states across the US from charging ahead on renewable energy.

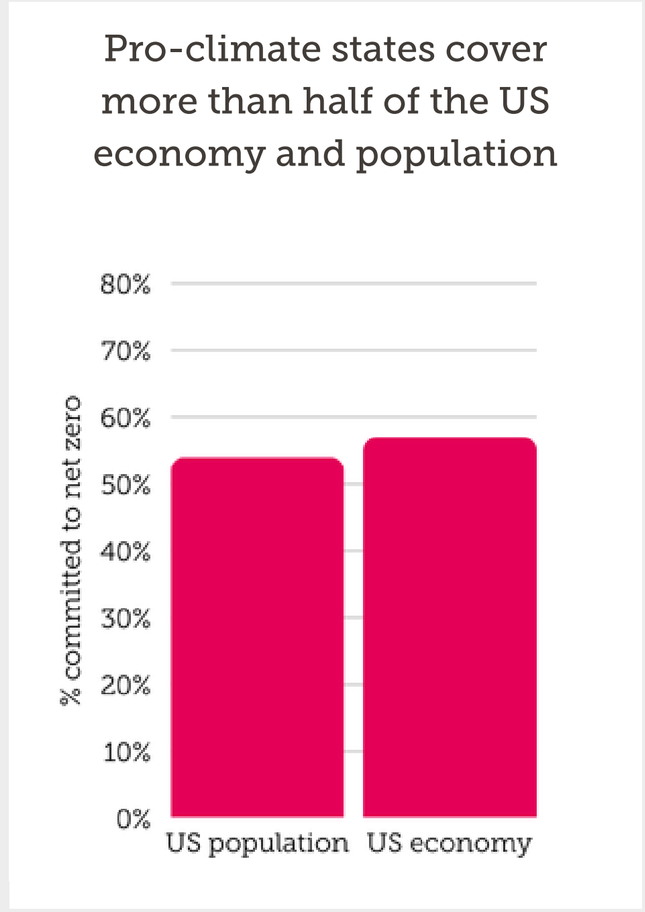
Many US states have a strong history of leadership on climate change, creating the country's first pollution control laws and clean energy standards. The states laid the foundations for the ground-breaking policies and investment under the Biden-Harris administration, and they can continue to advance climate action at a state level. Some states are already pushing back on the Trump administration, most recently urging Trump to uphold existing offshore wind permits.

MORE THAN HALF OF THE US ECONOMY REMAINS COMMITTED TO NET ZERO

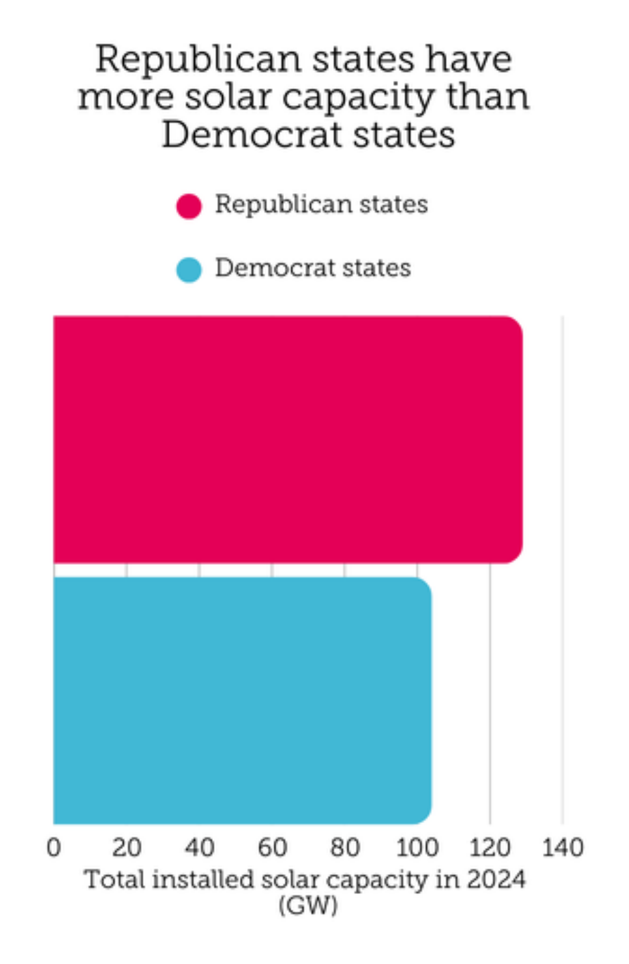
Twenty-four US states, that together account for more than half the US population (54%) and its economy (57%), have joined the US Climate Alliance – a bipartisan coalition advancing state-led, high-impact climate action. The Alliance was launched in 2017 by the governors of Washington, New York and California. The 24 members of the US Climate Alliance are committed to:

- Cutting climate pollution by at least 50-52% by 2030, and 61-66% by 2035, and reaching net zero by 2050.
- Accelerating action to reduce climate pollution, deploy clean energy and build resilience to the impacts of climate change.
- Centering equity, environmental justice and a just economic transition.
- Tracking and reporting progress.

The US Climate Alliance is just one of many organisations coordinating action across the US. For example, America Is All In is a coalition of leaders from thousands of cities, states, tribal nations, businesses, schools, and institutions. Led by former White House National Climate Advisor, among others, the coalition is working to cut US emissions in half by 2030 and reach net zero by 2050, while building resilience in the face of increasing climate impacts.



Source: US Climate Alliance



Source: Solar Energy Industries Association

EVEN REPUBLICAN STATES RECOGNISE THE WIDE-RANGING ECONOMIC BENEFITS OF RENEWABLES

Republican-controlled states like Iowa, Texas, and Montana were all early adopters of renewable energy, in pursuit of economic development and energy independence. President Trump's home state of Florida installed more large-scale solar than renewable leader California last year, and ranked second in the country for residential solar installations.

The Republican stronghold of Texas, the US's second-largest economy, now makes more wind energy than any other US state. Texas accounted for nearly a third of the country's total wind generation in 2024, and the state is also second in the country for solar generation (behind California). While Trump's policies have resulted in increasing renewable project cancellations in recent months, organisations in Texas are continuing to work to attract new investment in renewables. Experts still believe renewables will meet most of Texas's growing energy needs in the coming years.

Around the world, the costs of renewable energy projects are consistently falling, making the economic argument in favour of renewables stronger even as the Trump administration cuts subsidies.

MANY US BUSINESSES ARE ALSO STANDING BY THEIR CLIMATE COMMITMENTS

As global markets and consumer preferences shift towards clean technologies, many US businesses are also standing strong on their net zero commitments.

Analysis undertaken this year has found that 84% of companies are standing by their climate commitments. 37% of companies are even increasing their efforts to cut climate pollution while only 16% of companies are weakening their commitments. More companies than ever before are making climate commitments, because they recognise that action on climate change can reduce energy costs, expand their market share, protect their business from risks and secure long-term growth.

Many US states, communities and businesses recognise that action on climate change is necessary to protect against escalating risks and safeguard prosperity.

IN THE WAKE OF THE LA FIRES, CALIFORNIA'S COMMITMENT TO CLIMATE ACTION IS STRONGER THAN EVER

California plays a significant role in not just the American, but the global economy. If it was a country, it would be the world's fourth-largest economy. California's Governor Gavin Newsom is co-Chair of the US Climate Alliance and a leader of America is All In. He is dedicated to working with other Governors to stand against the Trump administration's denial of the climate crisis.

California is powered by two-thirds clean energy and has run on 100% clean power for some part of the day almost every day this year. The state also has one of the largest emissions trading schemes in the world. Since 2014, the scheme has reduced climate pollution equivalent to taking 80% of cars off Californian roads, while also reinvesting funds into its communities. In the past decade, the scheme has driven more than US$11 billion (equivalent to nearly AUD $17 billion) worth of investments in climate action, with more than 75% flowing directly into low-income and frontline communities.

In the aftermath of the catastrophic Los Angeles fires earlier this year, the Californian government has doubled down on climate action and announced it will extend its emissions trading scheme until 2045 and use the funds it generates to invest in major initiatives that help Californians adapt to increasing impacts of climate change.

2

CHINA IS POWERING AHEAD AS A CLEAN ENERGY JUGGERNAUT

CHINA'S RECORD-BREAKING RENEWABLE ROLLOUT IS ON THE RISE

While many US states and businesses remain committed to climate action, a lack of national leadership in the US has created opportunities for other countries to step up on the global stage. With clean technology manufacturing making up a growing proportion of its economy, China has reaffirmed its commitment to climate action and the global shift to net zero.

As China's economy has expanded, averaging an astonishing 8% growth in GDP between 1953 and 2024, so has its appetite for energy. Home to nearly one-fifth of the world's population, China is now the world's second largest economy and the largest electricity consumer. The country overtook the US in 2006 to become the largest polluter in the world. Historically, China has been reliant on imported fossil fuels, leaving it exposed to volatile global energy markets.

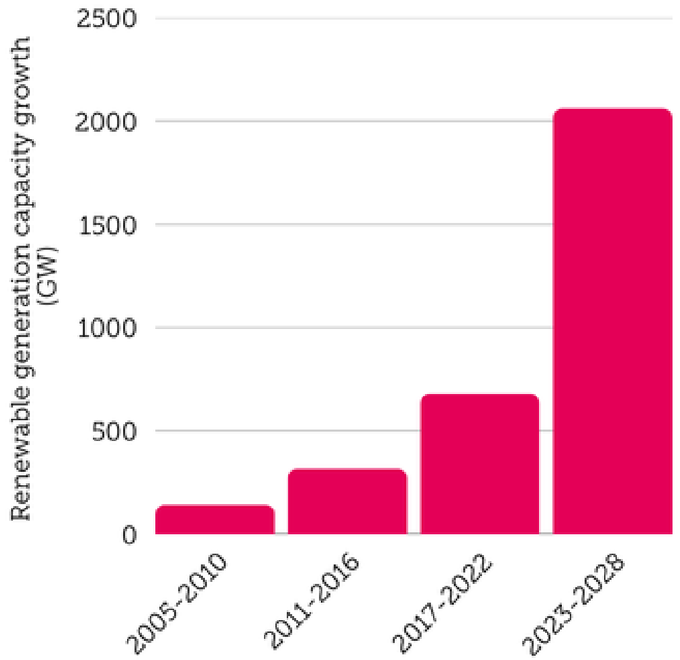
However, to improve its energy security and independence as its economy grows, China has been installing renewable generation capacity since the early 2000s and electrifying homes, businesses and transport systems at a rapidly accelerating rate.

Since 2020, China's solar capacity has almost quadrupled and its wind capacity has doubled due to supportive policies and falling project costs. With record-breaking investments in 2024, China achieved its 2030 target six years early, installing 1.2 terawatts (TW) of renewable generation capacity.

Since meeting its target, China is showing no signs of slowing down. China's power generation comprised 40% low emissions sources in the first half of 2025 – up from 36% in the same period of 2024. Due to the growing share of renewables, climate pollution from China's power sector (its largest source of emissions) dropped by 3% in the first half of 2025. Overall, China's emissions dropped 1% in the first half of 2025 compared with 2024.

Overall, China's emissions dropped in the first half of 2025, up to five years ahead of when they were expected to peak – signalling a major milestone in the worldwide shift to clean energy.

China's renewable energy rollout is rapidly accelerating



Source: International Energy Agency 2024

SNAPSHOT: CHINA'S RENEWABLE ENERGY TRANSFORMATION

- In 2023, China commissioned as much solar capacity as the entire world did in 2022.
- In May 2025, China installed nearly 100 solar panels every second on average.

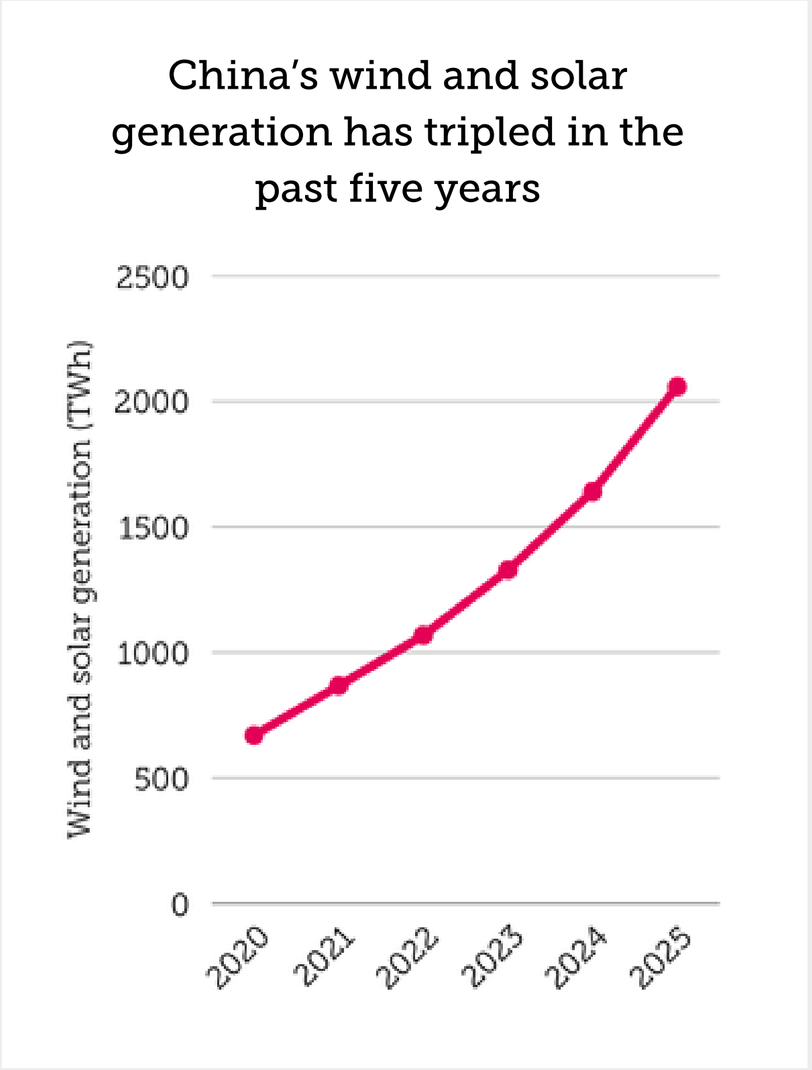
- China accounted for half of all renewables installed worldwide in 2023.
- China met its 2030 renewable target six years early, in 2024.
- China will install more than half of the new renewable generation capacity required to achieve the global target of tripling renewable generation by 2030.

- While coal capacity increased overall, China's coal generation in the first half of 2025 fell by 3.4% compared with the same period in 2024, as renewables made up a larger share of its power mix.
- 40% of China's power was derived from low-emissions sources in the first half of 2025.

- Electric vehicle sales in China will surpass internal combustion vehicles in 2025.
- One in 10 cars on Chinese roads are now electric.

- China supplies 80% of solar panels, 60% of wind turbines, 75% of batteries and more than 70% of electric vehicles globally.
- China's clean energy exports in 2024 alone cut global climate pollution by 1%.

- In the first half of 2025, China's climate pollution dropped 1% year-on-year.
- China's per-capita emissions are around 7.5 tCO2 per person, less than half as much as Australia's per person emissions.



Source: Ember

CHINA'S GROWING RENEWABLE GENERATION WILL LOCK IN COAL'S DECLINE

While its shift to clean energy continues to break records, China has been building more coal-fired power capacity too. However, this has not translated into higher coal power generation or climate pollution.

Here's why: after energy shortages in the 2020s, China has been building new coal-fired power stations for added energy security. For example, in 2024, it started construction on 94.5 GW of new coal capacity – the largest amount in 10 years.

But alongside this, China has also worked to improve grid security through improvements to its electricity grid, market reforms, as well as building more storage like batteries and pumped hydro.

Because of these improvements, plus the surge in renewable power, much of China's new coal capacity isn't being used. In 2024, China only used its coal-fired power stations at around 50% of their full capacity on average.

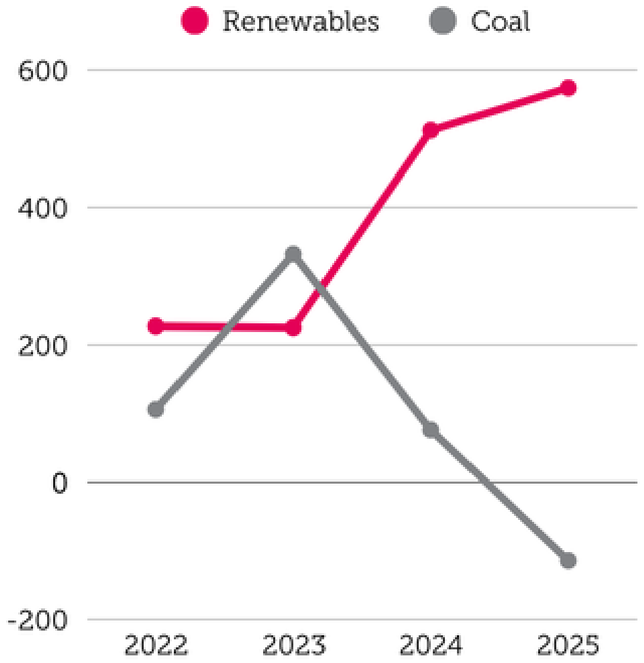
Growth in solar power alone matched the rise in electricity demand in the first half of 2025, and coal generation fell by 3.4% compared with the same period last year. Since 2016, coal's share of China's power generation has fallen from 73% to 51%.

Even by conservative estimates, clean power can cover all of China's demand growth before 2030. The growth of renewables will lock in coal's inevitable decline in China, Australia's second largest coal export market.

"Once the new direction is set, the momentum will become self-sustaining. It will make reversal impossible... China now has set its direction towards a clean energy future."

- Muyi Yang, Ember lead China Analyst (Lauder 2025)

China's renewable generation is skyrocketing as coal generation declines



Source: International Energy Agency 2025

CHINA'S CLEAN TECHNOLOGY REVOLUTION IS HELPING COUNTRIES AROUND THE WORLD CUT CLIMATE POLLUTION

A decade ago, China's polluting industries were exposing its communities to dangerous air pollution, leading the government to introduce a pollution precaution scheme in 2013. Smog became so heavy in Beijing that in late 2015, more than 2,000 factories were ordered to suspend or reduce production. As part of addressing this problem, China introduced its Made in China 2025 plan to transform the country's manufacturing sector, moving from a producer of cheap, low-tech goods to a global leader in advanced technologies, including clean energy technologies.

In the decade since, solar, battery and electric vehicle (EV) manufacturing have become key drivers of China's economic growth. In 2024, clean energy technologies made up 10% of China's economy, and the sector expanded three times faster than the rest of the economy.

The sector contributed around $1.9 trillion to the country's economic output last year – around the same as Australia's entire annual GDP.

Like Australia, China is considering how to grow its economy, improve productivity and support innovation. The global shift to net zero will play a critical role in China's continued growth and prosperity, and it is in China's own interests to support international climate efforts.

At the same time, China is playing a critical role in the global shift. The scale of China's manufacturing capacity has been a key driver behind the falling costs of renewable technologies in recent years, improving the business case for renewable projects around the world. China's clean energy exports in 2024 alone helped cut global climate pollution by 1%.

CHINA IS COMMITTED TO KEEPING UP THE MOMENTUM

This year, Australia and other nations are required to submit new 2035 targets to cut climate pollution under the international Paris Agreement.
China has already indicated that its 2035 climate target will be significantly stronger than previous targets, covering all sectors and greenhouse gases. Alongside this, the country has reaffirmed its commitment to climate action despite the Trump administration's step back. President Xi Jinping has committed to remain a "steadfast actor and major contributor in promoting global green development" and work with the international community to "overcome the headwinds and steadily move forward global climate governance".

As China looks to grow its productivity, it is committed to supporting the global shift to renewables, helping to build its clean technology industries.

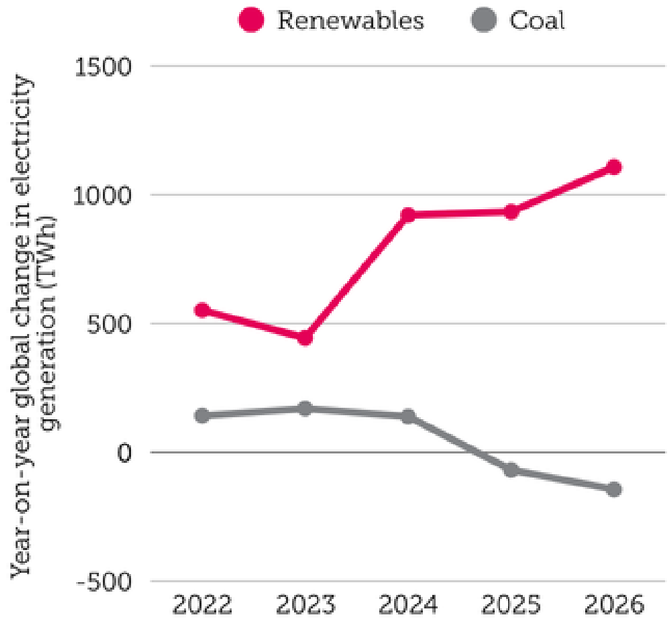
3

OTHER MAJOR ECONOMIES ARE ALSO POWERING AHEAD WITH CLEAN ENERGY

While China is leading the charge, it is not alone. Other major economies including the UK, India and the EU, as well as key trading partners like Japan and South Korea, are all also pushing ahead with the renewable rollout.

RENEWABLES ARE ACCELERATING AT RAPID RATES GLOBALLY

Globally, renewable generation is rising while coal falls



Source: International Energy Agency

Global solar capacity has doubled in only three years

It took eight years for solar to go from 100 TWh to 1,000 TWh, then just three years to pass 2,000 TWh.
Source: Ember

THE UNITED KINGDOM HAS PHASED OUT COAL AND REAFFIRMED ITS COMMITMENT TO STRONG CLIMATE ACTION

Almost 150 years after firing up the world's first coal-fired generator in 1882, the UK has become a leader in phasing out coal, closing its last coal-fired power station in 2024. Just a decade ago, 30% of the UK's power came from coal – showing what can be achieved in a short period of time with the right planning and policies.

Offshore wind has been critical to this shift: since installing its first offshore wind farm in 2000, the UK has installed more than 15 GW of capacity across 45 wind farms. Already, offshore wind has the capacity to power 15 million homes. The industry currently employs more than 40,000 people across the UK, and this is expected to reach more than 100,000 by 2030 as the UK races towards its target to reach 50 GW of offshore wind capacity by 2030.

More offshore wind will help the UK get off gas, with a target to reduce gas from around one third of generation today to less than 5% by 2030.

The UK is one of 27 countries that has already submitted its 2035 climate target, committing to cut climate pollution by 81% compared with 1990 levels. The UK's target is one of the strongest submitted to date, and an example of what Australia and other countries can strive for as they consider their climate targets in the lead up to the September deadline. The UK is also committed to phasing out fossil fuel subsidies, joining the Coalition on Phasing Out Fossil Fuel Incentives and Subsidies (COFFIS) at COP29 in 2024. In total, 16 countries have joined COFFIS, including Canada and many European nations.

"It is our generations today who have a unique opportunity to act, because unlike previous generations, we can see the evidence of the climate and nature crisis all around us, yet we still have time to limit the worst effects. The only answer is to reduce emissions, protect and restore nature and adapt to the impacts that are now inevitable."

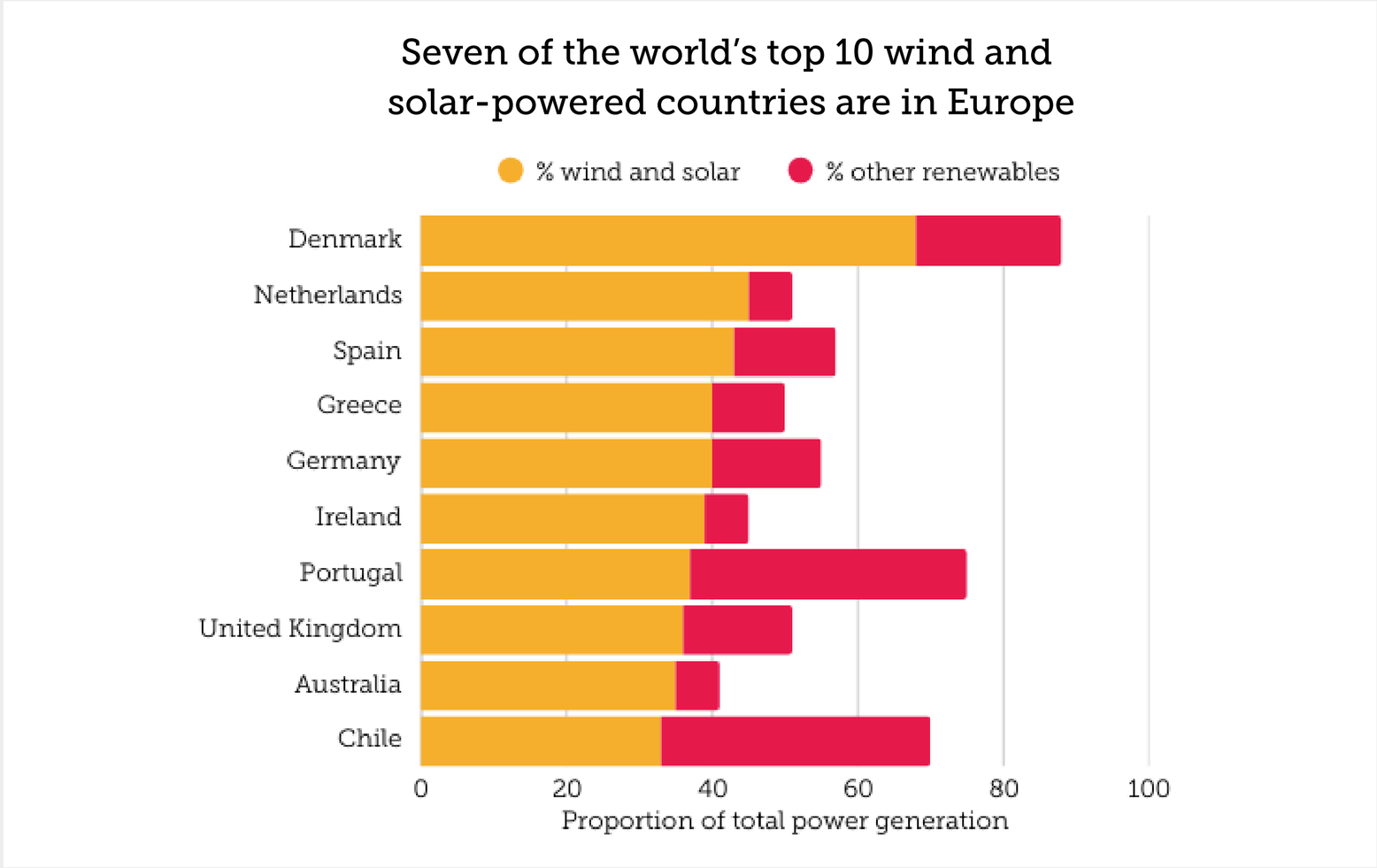
-Ed Miliband, UK Secretary of State for Energy Security and Net Zero in a 2025 address to the UK Parliament

EUROPEAN COUNTRIES DOMINATE THE WORLD RANKINGS OF WIND AND SOLAR POWER

The EU is pushing ahead with ambitious climate action, both collectively and at the national level. Seven of the world's top ten wind and solar-powered countries are in the EU (Australia currently ranks ninth – despite our plentiful solar and wind resources). Since the Paris Agreement, five EU countries – Austria, Belgium, Ireland, Portugal and Sweden – have already phased out coal. Another nine are set to go coal-free by 2030, and a further six by 2040. In addition, Austria, Belgium, Finland, France, Ireland, Luxembourg, the Netherlands and Spain have committed to end fossil fuel subsidies.

The European Green Deal, launched in 2019, aims to cut climate pollution in the EU by at least 50% by 2030. Measures include expanding the EU's emissions trading scheme, requiring all new buildings to be zero emissions from 2030, and ending sales of new internal combustion vehicles from 2035.

From 2026, the EU's carbon border adjustment mechanism (CBAM), will take full effect, imposing tariffs on key Australian exports such as iron/steel, aluminium, cement and fertilisers. Australia is pursuing a free-trade agreement with the EU to strengthen our economic partnership. However, insufficient domestic climate action could undermine these benefits, putting Australia's export industries at risk of heavy tariffs.



Source: International Energy Agency

EUROPE'S RENEWABLE LEADERS

KEY:

- RENEWABLE PROGRESS
- FOSSIL FUELS
- CLIMATE & ENERGY TARGETS

IRELAND

- 40% renewable power in 2024
- Coal-free since June 2025; phasing out fossil fuel incentives
- 80% renewable by 2030

NETHERLANDS

- 54% low emissions power in 2024
- End coal generation by 2029 and phase out fossil fuel incentives
- 75% renewable by 2030, including quadrupling offshore wind by 2032

DENMARK

- 88% renewable in 2024 - wind alone provides 58% of the country's power
- End coal generation by 2028 and phase out fossil fuel incentives
- 100% renewable by 2030

GERMANY

- 57% low emissions power in 2024
- End coal generation by 2038
- 75% renewable by 2030

PORTUGAL

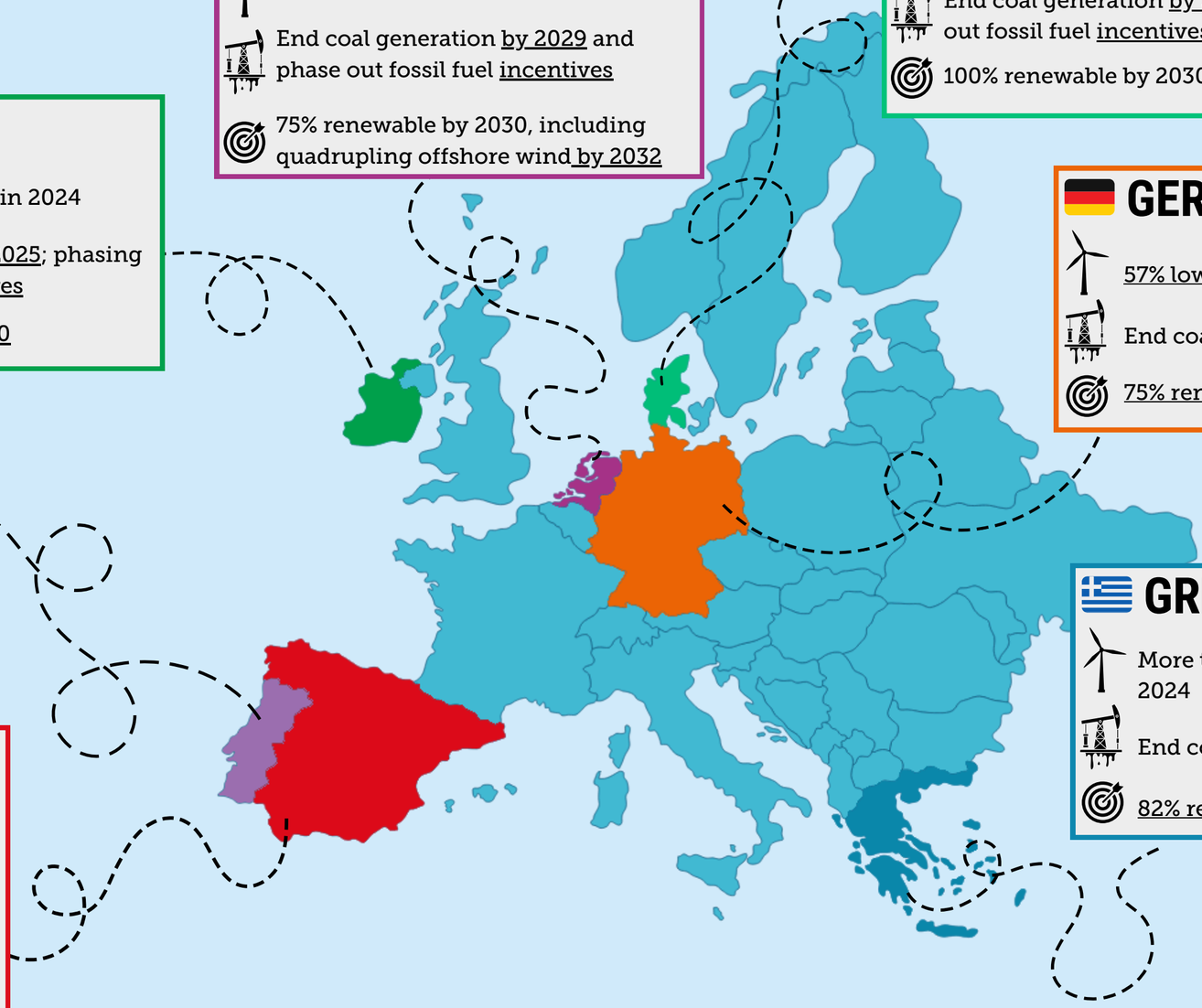
- 75% renewable in 2024 - solar capacity has increased by 440% since 2017
- Coal-free since 2021; reducing gas use
- 93% renewable by 2030; no gas by 2040

SPAIN

- 77% low emissions power in 2024
- Ending mainland coal generation in 2025 and phasing out fossil fuel incentives
- 81% renewable by 2030; increase battery storage

GREECE

- More than 50% renewable power in 2024
- End coal generation by 2026
- 82% renewable by 2030



INDIA IS GROWING ITS RENEWABLE CAPACITY

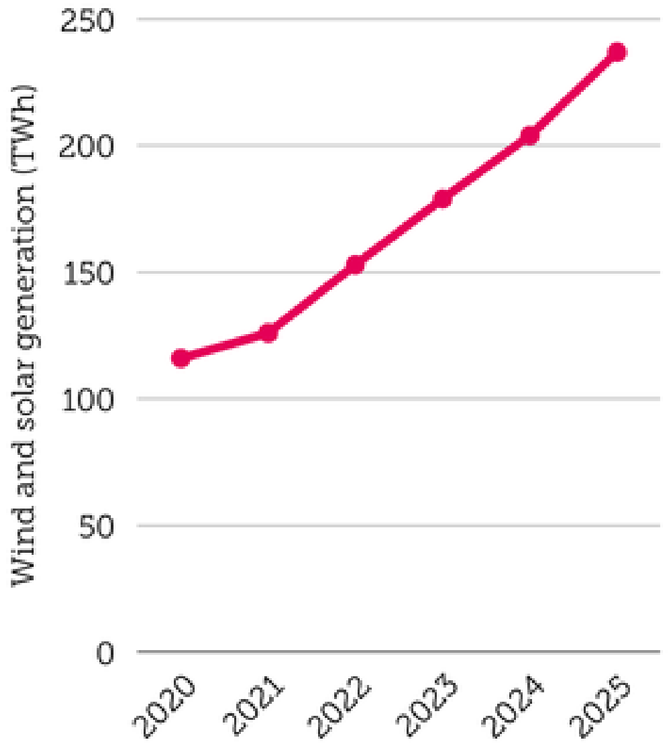
This year, India hit the milestone of 50% non-fossil generation capacity – five years ahead of its 2030 target under the Paris Agreement. The country added a record 22 GW of renewable energy capacity in the first half of 2025, more than double the amount installed during the same period last year. While India has high renewable generation capacity, its realised renewable generation remains much lower: in 2024, 22% of India's electricity was generated from low-carbon sources. Ember analysis suggests that India will reach 42% renewable electricity generation by 2030 under current plans.

Under the Paris Agreement, developing countries like India have "differentiated responsibilities" that recognise their smaller historic contribution to climate change and their limited capability to respond compared with developed nations. India has ambitious goals for 2030 – including to reduce its emissions intensity by 45% compared with 2005 levels, 50% non-fossil power generation capacity, and increasing its carbon sink by a fifth through additional tree cover.

Among the countries that have historically contributed the least to the climate crisis, yet suffer significant impacts both now and into the future, developing countries like India require support in the global shift to net zero. One third of India's GDP is from sectors reliant on nature, such as agriculture. The climate crisis could cost India up to 10% of its national income and push 50 million people back into poverty. Developed nations like Australia, that have benefited significantly from polluting practices that have damaged our climate and environment as well as others, and have a responsibility to support governments and communities in India, Africa, and other developing regions, to help improve economic and social outcomes while contributing to global climate and energy targets.

India has reached 50% non-fossil power capacity five years early, paving the way for a faster switch to renewables.

India's renewable generation has doubled in the past five years



Source: Ember

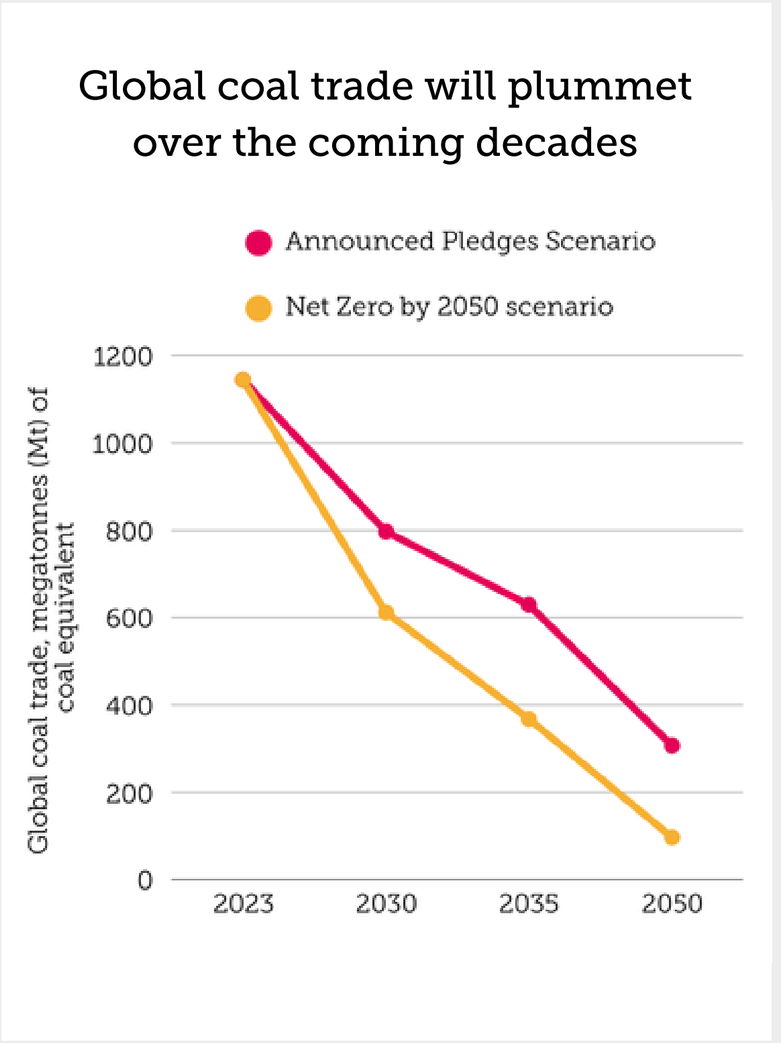
AUSTRALIA'S TOP FOSSIL FUEL EXPORT MARKETS ARE INCREASING THEIR CLIMATE AMBITION

Together, China, South Korea and Japan account for around two-thirds of Australia's coal and gas exports. Australia's long-standing trading relationships with these partners are historically underpinned by fossil fuels. However, times are changing. China, Japan and South Korea are increasing their ambition in the shift to net zero.

When President Lee Jae Myung took office in South Korea this June, he pledged to accelerate the country's transition to renewables, including targets to reach 30% renewable electricity by 2030 and end coal-fired generation by 2040. Even before this announcement, Australian coal exports to South Korea were falling as the country moves to low emissions alternatives: in 2023, Australia's coal export volumes to South Korea fell by 24%.

Japan has a target to increase its low emissions energy generation to up to 70% by 2040. Although Japan's domestic gas use is steadily dropping, the country continues to import significant volumes from Australia. Japanese importers have discovered a "lucrative side hustle" in on-selling Australian gas. In 2024 alone, the Institute for Energy Economics and Financial Analysis (IEEFA) estimates that Japanese companies resold up to AU$14 billion of Australian gas, with profits likely exceeding AU$1 billion. Australia should scrutinise this relationship and work with Japan, and other trading partners, to collectively move away from fossil fuels.

The writing is on the wall for coal, oil and gas. As the world's third largest exporter of fossil fuels, Australia needs to prepare for this shift and develop clean export industries.



Source: International Energy Agency

4

AUSTRALIA CAN HARNESS MAJOR ECONOMIC OPPORTUNITIES FROM THE GLOBAL SHIFT TO NET ZERO

SEIZING THE CLEAN EXPORT OPPORTUNITY IN A DECARBONISING WORLD

Australia makes up just 0.3% of the global population, but we contribute far more than our fair share of climate pollution: at least 2% of global emissions are from Australia's coal, oil and gas exports.

The continued global momentum demonstrates that no matter our domestic policy, demand for our fossil fuel exports will fall. As the world's third largest exporter of fossil fuels, Australia must prepare for the inevitable global decline in fossil fuel consumption.

Our status as a leading fossil fuel exporter represents an economic challenge as the world decarbonises, but Australia also has a significant opportunity in the global shift. We are well-placed to make use of our abundant renewable resources and critical minerals to develop future-focused export industries.

Through the Future Made in Australia agenda, Australia is already developing clean industries including solar panels, batteries, green metals, green hydrogen and sustainable shipping and aviation fuels. However, our ability to make the most of these new industries and remain a competitive and trusted international supplier hinges on aligning our climate targets and policies with evolving global standards.

Just as importantly, strong climate action is in Australia's national interest: it will help protect communities from worsening climate harms at home – from bushfires, floods and extreme heat – while ensuring our economy thrives in the global transition. Without stronger action on climate change, Australia risks falling behind the global momentum and missing out on opportunities to attract investment and talent.

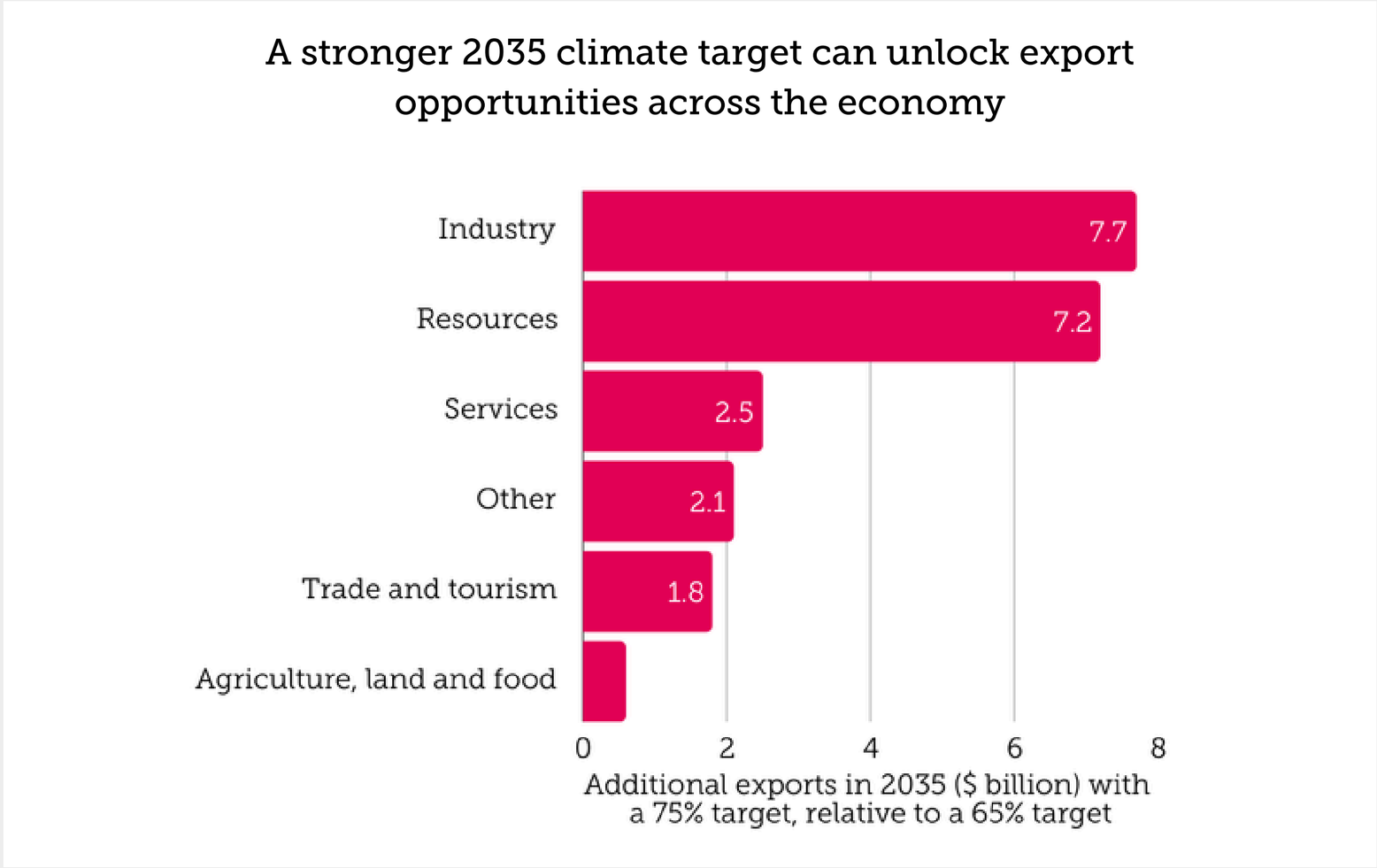
As the Australian Government considers its 2035 climate target, we have an opportunity to send a clear signal marking Australia's shift from fossil fuel heavyweight to clean export powerhouse.

HOW AUSTRALIA CAN UNLOCK A $190 BILLION EXPORT OPPORTUNITY ACROSS THE ECONOMY

A stronger target will make Australian exports more attractive to transforming global markets, help shield Australian industries from carbon tariffs, and grow investor confidence in Australia's emerging clean industries.

Modelling shows that a stronger target could attract investment worth $20 billion per year between today and 2035, unlocking a $190 billion net increase in Australia's exports by 2050. This would include higher exports of critical minerals, green energy and services and manufacturing.

In a competitive global environment, a weaker climate target is unlikely to drive the level of capital, innovation and jobs needed to build new export industries - or protect Australians from intensifying climate impacts.



Source: Deloitte Access Economics (2025), commissioned by Business for 75

CONCLUSION

Seizing the opportunity of the global energy transition

The global transition to clean energy is accelerating. Trillions are flowing into renewables, coal's dominance is rapidly eroding, and major economies from China to the EU are positioning themselves as renewable leaders. This momentum is reshaping global trade and investment, creating risks for laggards and enormous opportunities for those ready to act.

For Australia, the message is clear: our future prosperity depends on keeping pace. We are already living with the escalating costs of climate change, from destructive floods and marine heatwaves to worsening droughts. But alongside these risks lies the chance to reimagine our economy.

With abundant solar, wind and critical minerals, Australia is well placed to shift from fossil fuel heavyweight to clean export powerhouse.

By setting the strongest possible 2035 target and backing it with credible plans, Australia can send a clear signal that we are serious about seizing this opportunity. Strong climate action will protect communities at home, give investors confidence in new clean industries, and secure our place in a global economy that is leaving fossil fuels behind.

As the world races ahead with the renewable rollout, the question is not whether the transformation will happen, but whether Australia will lead or be left behind.

For Australia, the message is clear: a stronger climate target will underpin our future prosperity, safety and productivity.

APPENDIX

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